



# **System of Quality Management**

## **Statement of Effectiveness**

**KPMG AZSA LLC**

December 2023

## **Statement on the effectiveness of the System of Quality Management of KPMG AZSA LLC as at 30 September 2023**

As required by the International Auditing and Assurance Standards Board (IAASB)'s, International Standard on Quality Management (ISQM1), relevant local law, regulation or professional standards, and KPMG International Limited Policy, KPMG AZSA LLC (the "Firm" and/or "KPMG AZSA LLC") has responsibility to design, implement and operate a System of Quality Management for audits or reviews of financial statements, or other assurance or related services engagements performed by the Firm. The objectives of the System of Quality Management are to provide the Firm with reasonable assurance that:

- a) The Firm and its personnel fulfill their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements; and
- b) Engagement reports issued by the Firm or engagement partners are appropriate in the circumstances.

KPMG AZSA LLC outlines how its System of Quality Management supports the consistent performance of quality engagements in the Transparency Report issued in September 2023. Integrated quality monitoring and compliance programs enable KPMG AZSA LLC to identify and respond to findings and quality deficiencies both in respect of individual engagements and the overall System of Quality Management.

If deficiencies are identified when KPMG AZSA LLC performs its annual evaluation of the System of Quality Management, KPMG AZSA LLC evaluates the severity and pervasiveness of the identified deficiencies by investigating the root causes, and by evaluating the effect of the identified deficiencies individually and in the aggregate, on the System of Quality Management, with consideration of remedial actions taken as of the date of the evaluation.

Based on the annual evaluation of the Firm's System of Quality Management as of 30 September 2023, the System of Quality Management provides the Firm with reasonable assurance that the objectives of the System of Quality Management are being achieved.

TOKYO/JAPAN, 28 NOVEMBER 2023



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Hiroyuki Yamada  
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